Militant Attacks Against Shell Spilled 14,000 Tons of Crude

LAGOS, Nigeria (AP) — Royal Dutch Shell PLC spilled nearly 14,000 tons of crude oil into the creeks of the Niger Delta last year, the company said Tuesday, blaming thieves and militants for the environmental damage.

The amount of oil spilled by Shell's Nigerian subsidiary was more than double what poured into the delta in 2008, and quadruple what was spilled in 2007 — highlighting the worsening situation the oil major faces in Nigeria.

The oil giant faces regular attacks by militants who have targeted pipelines, kidnapped petroleum company workers and fought government troops since 2006. Its chief executive officer has even hinted that the company can no longer depend on Nigeria as a profit-maker, despite its 50-year history in the country.

Shell blamed the majority of last year's spills on two incidents — one in which thieves damaged a wellhead at its Odidi field, and another where militants bombed the Trans Escravos pipeline. In all, some 13,900 tons spilled into the swamps, but Shell said it was able to recover nearly 10,000 tons of that.

In its annual environment report released Tuesday, Shell also quadrupled its original estimate of oil spilled in during normal operations 2008 to 8,800 tons, blaming an explosion in November of that year at its Iriama field for the increase in its estimate.

The government is aware of the spills, and Shell has properly taken care of the damage and remains "involved in serious cleanup exercises," said Levi Ajonuma, a spokesman for the state-run Nigerian National Petroleum Corp.

Responding to the spills remains difficult, however, as Shell's workers are increasingly seen as lucrative targets for kidnapping by criminal gangs. The company reported that 51 of its employees and contractors were kidnapped for ransom in 2009, compared with 11 in 2008.

"Nigeria, especially the Niger Delta, remains a very challenging place in which to operate," Shell CEO Peter Voser said in the report. "Security issues and sabotage are constant threats to our people, assets and the environment. But we are cautiously optimistic that conditions there are improving."

Still, Voser has said Shell can no longer depend on growing profits coming from Nigeria, a country of 150 million people that sees nearly all of its government operations funded by oil money. That money funnels down into massive federal and state budgets that remain ripe from graft in a country consistently ranked as one of the most corrupt in the world.

Shell discovered the first oil play in the Niger Delta in 1956 and started pumping crude out of the swamps two years later. It has since been the dominant oil company in the former British protectorate — and has been demonized both by environmentalists and by community activists who want more of Nigeria's oil wealth to flow back into the poverty-stricken delta.

The delta itself, some 20,000 square miles (51800 square kilometers) of wetlands in southern Nigeria, is home to about 150 species of fish and other wildlife that remain endangered by spills.

Shell also was accused in a U.S. lawsuit of playing a role in the 1995 executions of activist Ken Saro-Wiwa and other civilians by Nigeria's former military regime. Shell reached a $15.5 million settlement to end the lawsuit in June, but acknowledged no wrongdoing.

Since Saro-Wiwa's execution and Nigeria's return to democracy in 1999, the company has tried to burnish its image in the country. The environmental reports, started in 1997, is part of that effort.

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